PROJECT PROFILE

Product Name  FACE WASH

Quality Standard  As per drug and cosmetic Act

Month & Year  March, 2013.

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FACE WASH

1. **INTRODUCTION:**

   Face Wash is a liquid soap used for washing the face especially. Its washing quality is very good and it is very soft to the skin. Day by day it is becoming very popular in all class of the society. In market it is available in two forms – Cream based and Liquid based.

2. **MARKET:**

   In market, few established brands like Ponds, Pears, and Johnson & Johnson etc are available. Besides, few SSI units are also having good market of their brands. Its popularity is increasing in service class, collegiate and other skin conscious people. There is good potential of Face Wash of good quality and economical prices.

3. **BASIS & PRESUMPTIONS:**

   1. The basis of calculation of production capacity is on single shift basis and working of 25 days per month.
   2. Rate of interest has been taken @ 14% per annum on an average on working capital and total capital investment.
   3. The minimum wages for labour prescribed under Wages Act has been calculated.
   4. Whereas some names of manufacturers and suppliers of raw materials, machinery & equipments are at the end of the profile are by no means exclusive or exhaustive.
   5. The cost of machinery & equipments indicated in the profile are approximate those prevailing at the time of preparation of the profile.
   6. Non-refundable deposits of preparation of project report may be considered under pre-operative expenses.
   7. The provision made in raw materials, utilities, overhead etc. is drawn on the basis of local market conditions/ observations and in approximate. The entrepreneur may find out the exact cost from the concerned sources.
   8. License is required under Drug & Cosmetic Act from state drug controller.

4. **IMPLEMENTATION SCHEDULE**

   1. E.M. of the unit with DIC 10 days
   2. Procurement of finance through Bank or other financial institutions. 90 days
   3. Procurement of machines 60 days
   4. Commercialization of the unit/ Trial production. 10 days
5. **TECHNICAL ASPECTS** :

1. **Process of manufacture** :

   Nonyl Phenol Ethoxylate and water (40% of the total volume) are mixed slowly with stirrer. After mixing Diethylene glycol is added slowly to the mixer with slow stirring. Now add SLES followed by perfume and colour. The continues circulation of cool water is necessary to control the temperature. It is packed in bottles after getting cooled at room temperature.

2. **Quality Specification** :

   It may be manufactured as per customer’s specification but under Drug & Cosmetic Act.

3. **Production Capacity** :

<table>
<thead>
<tr>
<th>Capacity</th>
<th>75% Capacity Installed Utilization(I Yr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Quantity</td>
<td>90000 Kg</td>
</tr>
<tr>
<td>b) Value (in Rs.)</td>
<td>1,17,00,000/-</td>
</tr>
</tbody>
</table>

4. **Power Requirement** :

   Connected Load : 5 Kwh

5. **Pollution Control** :

   Though there is no discharge of effluent during manufacturing of Face Wash but care should be taken to avoid the chemicals in washings.

6. **Energy Conservation** :

   The use of shunt capacitors and adequate illumination will reduce the wastage of energy.

6. **FINANCIAL ASPECTS** :

1. **Fixed Capital** :

   1. **Land & Building** :
      
      (value in Rs.)
      
      Land 400 sq. meter @ 500/- sq.m. 2,00,000
      Built Area –
      Office store etc. 100 sq.m. @ 2000/- sq.m. 2,00,000
      Working Shed 150 sq.m. @ 1800/- sq.m. 2,70,000
      
      Rs. 6,70,000
2. **Machinery & Equipments** :

<table>
<thead>
<tr>
<th>a) Production unit Details</th>
<th>Qty/No.</th>
<th>Price (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. S.S. Jacketed Vessel with stirrer &amp; speed control. Capacity 300 kg</td>
<td>1</td>
<td>2,00,000</td>
</tr>
<tr>
<td>2. Semi-automatic bottle filling machine.</td>
<td>1</td>
<td>50,000</td>
</tr>
<tr>
<td>3. Storage Tanks, LLDPE, Cap. 200 Liters</td>
<td>5</td>
<td>5,000</td>
</tr>
<tr>
<td>4. Tools &amp; Misc. equipments</td>
<td>LS</td>
<td>5,000</td>
</tr>
<tr>
<td>5. Water circulating Pump, 1/2 HP</td>
<td>1</td>
<td>2,500</td>
</tr>
<tr>
<td>6. Testing &amp; laboratory equipments</td>
<td>LS</td>
<td>30,000</td>
</tr>
<tr>
<td>7. Installation &amp; Electrification charges @ 10% of machinery</td>
<td>-</td>
<td>25,000</td>
</tr>
<tr>
<td>8. Office furniture, equipment &amp; fixtures</td>
<td>LS</td>
<td>25,000</td>
</tr>
</tbody>
</table>

Rs. **3,42,500**

3. **Pre-operative Expenses**

20,000

Total Fixed Capital:

Rs. 6,70,000 + 3,42,500 + 20,000 = Rs. 10,32,000/-

II. **Working Capital** :

1. **Personnel** :

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Designation</th>
<th>No.</th>
<th>Salary (PM)</th>
<th>Total (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Manager/ Chemist</td>
<td>1</td>
<td>10000/-</td>
<td>10,000/-</td>
</tr>
<tr>
<td>2.</td>
<td>Skilled Worker</td>
<td>2</td>
<td>4000/-</td>
<td>9,000/-</td>
</tr>
<tr>
<td>3.</td>
<td>Semi-skilled Worker</td>
<td>1</td>
<td>4500/-</td>
<td>4,000/-</td>
</tr>
<tr>
<td>4.</td>
<td>Clerk/Store keeper</td>
<td>1</td>
<td>3500/-</td>
<td>4,500/-</td>
</tr>
<tr>
<td>5.</td>
<td>Sales man</td>
<td>1</td>
<td>4000/-</td>
<td>4,000/-</td>
</tr>
<tr>
<td>6.</td>
<td>Peon/Watchman</td>
<td>1</td>
<td>4000/-</td>
<td>4,000/-</td>
</tr>
</tbody>
</table>

Perquisites @ 15% of salaries

35,500/-  
5,325/-  
**40,325/-**
2. **Raw Material : (PM)**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Qty/kg</th>
<th>Rate</th>
<th>Value (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Nonyl Phenol Ethoxylate</td>
<td>2535</td>
<td>125/-</td>
<td>3,16,875</td>
</tr>
<tr>
<td>2. Diethylene glycol</td>
<td>565</td>
<td>70/-</td>
<td>39,550</td>
</tr>
<tr>
<td>3. SLES</td>
<td>285</td>
<td>130/-</td>
<td>37,050</td>
</tr>
<tr>
<td>4. Colour</td>
<td>3</td>
<td>700/-</td>
<td>2,100</td>
</tr>
<tr>
<td>5. Perfume LS</td>
<td>-</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>6. HDPE Bottles</td>
<td>28125 No.</td>
<td>4/-</td>
<td>1,12,500</td>
</tr>
<tr>
<td>7. Corrugated Boxes</td>
<td>-</td>
<td>-</td>
<td>14,000</td>
</tr>
</tbody>
</table>

**Total Value:** 5,27,075

3. **Utilities (PM):**

- Power and Electricity: 1000 Kwh @ 6/- = 6,000
- Water: - = 500

**Total Utilities:** 6,500

4. **Other Contingent Expenses (PM):**

1. Postage & Stationery: 500
2. Telephone: 500
3. Consumable Store: 500
4. Repair & Maintenance: 1,000
5. Transport charges: 6,000
6. Advertisement & Publicity: 10,000
7. Insurance: 500
8. Sales Expenses: 5,000
9. Misc. Expenditure: 2,000

**Total Other Contingent Expenses:** 26,000

5. **Total Recurring Expenditure (P.M.):**

1. Personnel: 40,325
2. Raw material: 5,27,075
3. Utilities: 6,500
4. Other contingent expenses: 26,000

**Total Recurring Expenditure:** 5,99,900

Say: 6,00,000

6. **Total Working Capital (For 3 months):**

Rs. 6,00,000 X 3 = 18,00,000/-
7. **Total Capital Investment:**

1. Fixed Capital                                     10,32,000  
2. Working Capital (3 months)                                    18,00,000  
   **Total:**       28,32,000

8. **Promoter’s Contribution:**  
   
   Bank loan 21,24,000

8. **Financial Analysis:**

A. **Cost of Production (Per Annum):**

1. Total recurring cost                                      72,00,000  
2. Depreciation on building @ 5% per annum     23,500  
3. Depreciation on machinery & equipment @ 10% per annum 25,000  
4. Depreciation on furniture & fixtures @ 20% per annum 5,000  
5. Interest on total capital investment @ 14% per annum 2,97,360  
   **Total:** 75,50,860  
   **Say:** 75,50,000

B. **Turnover (Per Annum):**

<table>
<thead>
<tr>
<th>Item</th>
<th>Qty.(No)</th>
<th>Rate(Rs.)</th>
<th>Value(in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Face Wash</td>
<td>3,37,500</td>
<td>25.00</td>
<td>87,75,000</td>
</tr>
<tr>
<td></td>
<td>200 gm each</td>
<td>per bottle</td>
<td></td>
</tr>
</tbody>
</table>

C. **Net Profit(Per Annum) :**  
(Before Income-Tax)

Rs.87,75,000/- – Rs. 75,50,000/- = **Rs. 12,25,000/-**

D. **Net Profit Ratio :**

10.5%

E. **Rate of Return :**

31.34%

F. **B.E.P. :**

44%
10. **Address of machinery manufacturers & suppliers:**

4. M/s Corporated Engg., 7, Chitranjan Avenue, Kolkata.

11. **Address of raw material suppliers:**

3. M/s Dharma Das Tirath Das & Co., Lahori Gate, Delhi.
6. Available with local dealers.

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